Comparison of Graves-IHPS and Urban Institute "Churn" Estimates for Washington State

This document compares two different estimates of how eligibility "churning" in Washington State would differ if the State did or did not implement a "Basic Health Program" for low-income adults 139%-200% FPL that was essentially integrated with Medicaid.

Urban Institute (Buettgens / Nichols)	John A. Graves through IHPS
Source documents:	
Matthew Buettgens and Austin Nichols, "Washington State Solutions for Churning," 8 pp., undated (received late March 2012). Thought to be preliminary. Not clear whether there is a later version of this document.	Tabulations by John A. Graves, Ph.D., Vanderbilt University School of Medicine, in conjunction with the Institute for Health Policy Solutions, under contract from the Washington State Health Care Authority. Only brief summaries of key data points from this analysis have previously been included in slide presentations to WA State officials. Additional data is presented here in an effort to clarify similarities with and differences from the Urban Institute (UI) results.
Major Differences Between the Two Approaches (Additional, more technical differences are noted in an Appendix)	
Analyzes churning relative to the *entire nonelderly population,* including children 0-18.	Excludes children 0-18, due to primary focus on tax-credit recipients and different eligibility thresholds for children. Also (and importantly), results presented so far have focused on the adult population *without ESI at initial determination.*
Uses only *one* approach to assessing extent of churning. This appears to be change in annual income from one year to the next.	Analyzes churning using several different income-measurement periods (due to uncertainty about eligibility determination procedures, availability of routine earnings data, and enrollee behavior with respect to reporting changes). Figures shown below include a comparison most similar to the UI approach (relative to total adult population, not previously reported), plus results from other comparisons previously distributed.
Imputes (estimates / assigns) "affordable ESI[1] offers" using "the simulation of ACA by the Health Insurance Policy Simulation Model (HIPSM)." (People with such offers are ineligible for tax credits, but remain eligible for Medicaid.) (Additional comments later.)	Due to data limitations, considers only persons reporting ESI enrollment to be ineligible for Exchange subsidies. ESI offers, which are likely to change with job status/earnings changes, are reported very infrequently in the survey data.

[1] ESI = employer-sponsored insurance.

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Percent of Population Whose Eligibility Status Remains "Stable" under Straight ACA Implementation (i.e., no BHP)				
Year 1 to Year 2	Eligibility Status	Initial Determination v. Actual Annual Income[2]		*Year 1 to Year 2 (Full-Year Income)[3] (newly reported)*
		Newly Reported (all adults 19-64)	Previously Reported[4] (only adults w/o ESI)	
88.8%	Overall	78.2%	74.1%	*83.9%*
79.8%	Medicaid eligibles	58.9%	68.9%	*75.1%*
62.5%	Exchange Subsidy eligibles	48.4%	65.5%	*45.3%*
94.5%	Ineligibles[5]	90.2%	40.3%	*93.7%*
Percent of Population Whose Eligibility Status Remains "Stable" with a Combined Medicaid/BHP at 200% FPL				
Year 1 to Year 2	Eligibility Status	Initial Determination v. Actual Annual Income		*Year 1 to Year 2 (Full-Year Income) (newly reported)*
		Newly Reported (all adults 19-64)	Previously Reported (only adults w/o ESI)	
89.4%	Overall	79.3%	75.2%	*85.4%*
82.8%	Medicaid+BHP eligibles	63.5%	76.3%	*75.9%*
55.9%	Exchange Subsidy eligibles	40.0%	54.2%	*41.6%*
94.7%	Ineligibles	90.2%	40.3%	*93.7%*

[2] "Initial Determination" means income as determined using ACA methodology in November prior to the enrollment year. "Actual Annual" means annual income received during the full enrollment year, evaluated using "MAGI" guidelines. This is the basis on which previously reported Graves-IHPS data was based. On the same basis, this column presents data on the entire adult population and assigns people who have ESI at year end to the "ineligible" category.

[3] For this comparison (not previously reported), full-year MAGI income in Year 1 was compared to full-year MAGI income in Year 2. In Year 1, an adult was considered "with ESI" if s/he had ESI in November (considered to be month of initial application). In Year 2, an adult was considered "with ESI" if s/he had ESI at any time during Year 2.

[4] For simplicity, the Graves-IHPS data previously reported focused on adults without ESI at initial determination and how their income changed in the enrollment year. Data about ESI status at the end of the enrollment year was not presented. Income was compared as described in the previous note.

[5] In the Graves-IHPS work, "ineligible" means income over 400% FPL or income above 138% FPL but with ESI.

Important Differences Noted	Comments
The "percent stable" is higher in the Urban Institute (UI) analysis, both overall and by eligibility category.	Because children remain eligible for Medicaid/CHIP up to 300% FPL under both scenarios, and because children are more likely to be below 300% FPL than adults (57% v. 40%, per CPS), their inclusion in the UI analysis will tend to raise stability rates for Medicaid and probably overall. Also, in the UI analysis, 4 months from the 2004 SIPP panel are used as both as part of "2012" and as part of "2013," which the authors note "will slightly understate variability of income over time."
The percent eligible for Exchange subsidies is lower in the UI analysis, but their stability is higher than in the Graves-IHPS analysis.	The inclusion of the children in the UI analysis raises the percentage of the population on Medicaid (including CHIP) considerably, but fewer children will be found to qualify for Exchange subsidies (because they qualify for Medicaid/CHIP up to 300% FPL), so the Exchange-subsidy-eligible percentage of this larger population is lower. However, the raw count of Exchange-subsidy eligibles is actually *higher* in the Graves-IHPS analysis (not shown)—the only eligibility category for which this is the case. UI's imputation of affordable ESI offers also clearly has an impact here. The Graves-IHPS approach does not do so and ideally would. (It uses actual ESI enrollment instead.) However, SIPP by itself does not include data adequate to do so, as would be needed to allow the dynamic analyses of changing circumstances in the Graves model. Further, the post-implementation behavior of employers with modest-income workers with respect to their ESI offers and contributions is not known and may be considerably different from what has been observed previously or projected elsewhere.

Concluding Comments: Overall, considering the differences in methodology, and particularly the inclusion/exclusion of children, the results are remarkably similar. Although the absolute level of "stability" differs somewhat across the models, the UI analysis and the three variations of the Graves-IHPS analysis all predict virtually the same overall stability for a combined Medicaid-BHP program at 200% FPL, compared to a straightforward ACA implementation with Medicaid for adults at 139% FPL. (While all predict marginally higher stability with a BHP, the differences do not appear to be statistically significant.)

And the statistical uncertainty is amplified by the considerable uncertainties about eligibility determination procedures, availability of routine earnings data, enrollee behavior with respect to reporting changes, and ESI offers post-ACA-implementation. Further, it is not clear that a BHP, if adopted, would be completely "seamless" vis-à-vis Medicaid. With a BHP, additional instability at 139% FPL could occur because of program administration requirements or other BHP programmatic differences from Medicaid.

<table>
<tr><td colspan="2">Appendix: Technical Differences Between the Two Approaches (not including those previously mentioned)</td></tr>
<tr><th>Urban Institute (Buettgens / Nichols)</th><th>John A. Graves through IHPS</th></tr>
<tr><td>Uses 2001 SIPP (9 waves) plus 2004 SIPP (8 waves). Population growth to 2012-2014 using Census Bureau population projections by age.
We cannot determine from the UI write-up whether national SIPP data were reweighted to represent WA State (perhaps using the WA State Population Survey), or whether only the WA State subsample of the SIPP was used. The latter approach would almost certainly produce statistically unreliable estimates due to inadequate sample size.</td><td>Uses 2001 SIPP (9 waves). National data reweighted to represent WA State using the Census Bureau's Current Population Survey (CPS) for 2001-2003. Population growth to 2014 using Census Bureau population projections.</td></tr>
<tr><td>Re: Income Measurement:
The UI write-up states: "Transitions in eligibility are computed from one tax year to the next. To simplify the presentation, we did not include month-by-month changes in eligibility."
From this limited statement, we cannot determine whether annual income was compared from one year to the next, or whether an ACA-style eligibility determination (i.e., "current income" for Medicaid purposes or if "changed circumstances," prior-year tax return otherwise) was "conducted" in a given month and repeated 12 months later.</td><td rowspan="2">Re: Income Measurement and ESI offers:
Analyzes churning using several different income-measurement periods (due to uncertainty about eligibility determination procedures and about enrollee behavior with respect to reporting changes).
In one comparison (not previously reported), full-year MAGI income in Year 1 was compared to full-year MAGI income in Year 2. In Y1, an adult was considered "with ESI" if s/he had ESI in November (considered to be month of initial application). In Y2, an adult was considered "with ESI" if s/he had ESI at any time during Y2. This basis for income measurement is thought to be closest to the method used by the Urban Institute.
In a second comparison, initial eligibility status was determined using ACA methodology in November prior to the enrollment year. That is, income was measured using the prior year's tax-return data, unless there were "changed circumstances." Actual annual income received during the full enrollment year was then evaluated using "MAGI" guidelines.
This second method was used for the previously reported Graves-IHPS data was based. However, that previously reported data focused on adults without ESI at initial determination and how their income (only) changed in the enrollment year. Data about ESI status at the end of the enrollment year was not presented. In addition to the originally reported data, the data reported here includes a column that displays data on the entire adult population and assigns people who have ESI at year end to the "ineligible" category.</td></tr>
<tr><td>Re: ESI offers
It is also not clear whether ESI offers were imputed on a monthly or annual basis. An annual basis would be problematic, because ESI offers are likely to change with job status/earnings changes. Further, the IRS-proposed method of determining affordability of ESI offers for dependents is under attack and may be changed.</td></tr>
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